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INTELLIGENCE BRIEF

AGRICULTURAL PRODUCTION IN THE COMMUNIST COUNTRIES
OF EASTERN EUROPE IN 1964

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AGRICULTURAL PRODUCTION IN THE COMMUNIST COUNTRIES
OF EASTERN EUROPE IN 1964*

Gross agricultural production in 1964 not only failed to meet planned expectations in the Communist countries of Eastern Europe (except in East Germany and Bulgaria) but also showed only modest increases above the level of 1963, a mediocre year. East Germany and Bulgaria reported the largest increases in gross production, 4.0 and 8.6 percent, respectively, while increases of 2 percent or less were claimed for the remaining countries (see Table 1). In Czechoslovakia, Poland, and Rumania, net agricultural production most likely declined.

Although livestock production exceeded that of 1963 in most Communist countries of Eastern Europe, it was partly offset by stagnation or decline in crop production, especially grain and forage. A shortfall in supplies of feed will make it difficult for the northern countries of Eastern Europe to increase the number of livestock in 1965 and will require that imports of grain remain at the high level of 1964. Continued tight supply of meat, milk, and butter during 1964 was reflected in an upward movement of retail prices for these commodities.

1. Crop Production

Preliminary estimates of the total grain crop of the Communist countries of Eastern Europe in 1964 indicate an output of about 43 million tons, slightly below 1963 and 2 percent below the annual average for 1957-61. Grain harvests in the northern countries of Eastern Europe were down from 1963, whereas most of the southern countries of Eastern Europe showed small increases. As shown in Table 2, production of bread grain fared better than that of coarse grains in most countries of Eastern Europe, but the quality of these grains, especially wheat, suffered because of excessive moisture. The total output of bread grain was higher than in 1963, primarily because of a larger sown area. The sown area of coarse grains was less than in 1963, and these grains, which are largely spring planted, suffered from hot dry weather in June and July, thus further reducing yields. Hay, oilseeds, and early vegetable crops also were adversely affected by the drought in the northern countries.

* Including Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Rumania.

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In most countries of Eastern Europe good precipitation followed the July drought, and these countries achieved above-average production of root crops (potatoes and sugar beets) and late vegetables. Both Poland and Czechoslovakia claim that 1964 was a record year for both sugar beets and potatoes, and above-average yields of corn, sugar beets, and sunflower seed were reported in the southern countries. Albania is estimated to have had the best grain harvest in several years.

2. Livestock Production

The number of cattle and hogs increased throughout Eastern Europe, except for a drop in the number of cattle in Czechoslovakia and Bulgaria and in the number of hogs in East Germany (see Table 3). The total number of cows, however, declined in 1964, continuing the downward trend since 1961. The increase in the number of hogs reversed a decline that has continued since 1961, but the total number still was below the level of 1961. Increases above the level of 1963 in production and procurement of livestock products -- meat, milk, eggs, and poultry -- were announced by most countries of Eastern Europe. Improvement in the livestock situation during 1964 can be attributed to a combination of factors, including high procurement prices, larger imports of feed grain and protein supplements, good crops of potatoes and feed grain in 1963 in the northern countries, and -- in Hungary and Bulgaria -- a more liberal attitude toward production from household plots.

The outlook for gains in production of livestock in 1965 in the northern countries of Eastern Europe and in Hungary is unfavorable because of the low level of output of feed grain and forage crops in 1964. Even though imports of grain are running at a high level, it is doubtful that they will be adequate to overcome the shortfalls in domestic output of feed to the extent that the number of hogs can be increased further or that the number of cattle can be prevented from declining. In addition, the current outbreaks of foot-and-mouth disease in central Europe appear to be serious enough to reduce the number of livestock in Hungary and possibly in Czechoslovakia.

3. Availability of Food

The over-all availability of food in Eastern Europe did not change much in 1964 compared with 1963. Meeting the demand for livestock products remained the major problem. In East Germany and Czechoslovakia the availability of meat and poultry products increased in the

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urban markets above that in 1963 because of higher procurements as well as of continued imports. Poland and Hungary, in spite of difficulty in meeting consumer demands for meat, increased their exports of meat and other livestock products above those of 1963. Generally, retail supplies of eggs and poultry showed the biggest improvement in 1964 in Eastern Europe; milk showed the least gain. The supply and quality of bread improved in Bulgaria during the last half of 1964. Relatively good harvests in 1964 of late vegetables, potatoes, and tree fruits (except in East Germany and Hungary) resulted in lower winter retail prices than in 1963 and may take some of the pressure off the demand for meat and other quality foods in the first half of 1965. Nevertheless, the level of food production in 1964 does not portend any significant improvement in the diet of the average worker in Eastern Europe in the consumption year 1964/65 -- a situation that has failed to improve since 1959/60. Sugar is the only food in surplus supply.

4. Trade in Grain

Total imports of grain by the Communist countries of Eastern Europe, which reached a record level of 8 million tons in the consumption year 1963/64, are expected to reach a similar level during 1964/65. Although Hungary and Bulgaria do not need to import as much wheat as in 1963/64, their requirements for feed grain are equally as high. On the other hand, Polish, Czechoslovak, and East German import requirements for grain are higher than a year ago. Rumania again will be the only country of Eastern Europe with an ability to export substantial quantities of grain, mostly corn, from the 1964 harvest. Although Soviet exports of grain to the countries of Eastern Europe in 1964/65 are expected to exceed those of 1963/64, the largest share of the grain imported by these countries again will come from the Free World. There also are indications that the countries of Eastern Europe may import relatively large quantities of US soybeans and meal in 1965 to support expanding outputs of margarine and high-protein feed mixes.

5. Agricultural Plans for 1965

As shown in Table 1, planned increases in gross agricultural production for 1965 range from a modest 2 percent for Hungary to an unrealistically high 8 percent for Bulgaria and Czechoslovakia. Most of the plans for 1965, like those for 1964, are aimed at overcoming the stagnation in production of grain and at expanding production of fodder in an effort to reverse the upward trend in the import of grains and,

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at the same time, supporting higher planned levels of livestock production. Planned increases in the availability of fertilizer are to go largely to grain and fodder crops. Output of most industrial crops is not planned to increase greatly, and no increase in the production of sugar beets is anticipated. Within the livestock sector, top priority will be given to increasing the number of cows, raising the milk yield, and expanding the large-scale poultry operations. The production and use of commercially mixed feeds will be expanded throughout Eastern Europe this year to improve feed/meat output ratios. Upward adjustments of procurement prices for livestock products may continue in 1965 in an effort to stimulate output.

Although agricultural investments are planned to increase in absolute terms, the share of total state investments will remain about the same as in 1964. Investments again are being increased for those industries supplying agricultural inputs, such as fertilizers, agricultural machinery, and construction materials. The largest share of the investments allocated to agriculture will continue to be used for mechanization, but land improvement projects and farm buildings will get a somewhat larger share than previously. This shift is a part of governmental efforts to obtain a greater return on state investments in agriculture by investing in those projects that will raise production and thereby minimize internal criticism over lack of return from rising investments in agriculture in the 1960's. These relatively large investments have caused production costs to increase at a faster rate than gross agricultural production.

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Table 1

Indexes of Gross Agricultural Production
in the Communist Countries of Eastern Europe a/
1964 and 1965 Plan

Country	1964		Previous Year = 100
	Plan	Actual	1965 Plan
Albania	113.4	102.0	106.4
Bulgaria	108.6	108.6	108.0
Czechoslovakia	106.5	100.6	108.3
East Germany	101.3	104.0 <u>b/</u>	104.0
Hungary	104 to 105	102.0	101.5 to 102.0
Poland	101.1	100.7	102.7
Rumania	N.A.	101	N.A.

a. Based on official announcements.

b. The increase is inflated because it is based on current prices rather than on constant prices.

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Table 2

Estimated Production of Selected Crops in the Communist Countries of Eastern Europe
1957-61 Average, 1963, and 1964 Preliminary

Million Metric Tons								
Commodity and Years	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania	Total
Total grain <u>a/</u>								
1957-61 <u>b/</u>	0.30	3.80	5.39	5.30	7.03	13.72	8.62	44.16
1963	0.28	3.81	5.64	5.00	6.27	13.47	9.09	43.56
1964 <u>c/</u>	0.32	4.10	5.24	5.00	6.35	12.97	9.32	43.30
Bread grain <u>d/</u>								
1957-61 <u>b/</u>	0.10	2.08	2.49	3.11	2.20	9.94	3.73	23.65
1963	0.07	1.75	2.65	2.63	1.74	9.49	3.88	22.21
1964 <u>c/</u>	0.14	1.84	2.67	2.80	2.34	9.54	3.91	23.24
Coarse grains <u>e/</u>								
1957-61 <u>b/</u>	0.20	1.72	2.90	2.19	4.83	3.78	4.89	20.51
1963	0.21	2.06	2.99	2.37	4.53	3.98	5.21	21.35
1964 <u>c/</u>	0.18	2.26	2.57	2.20	4.01	3.43	5.41	20.06
Potatoes								
1957-61 <u>b/</u>	0.02	0.38	6.42	11.84	2.39	36.66	2.35	60.06
1963	0.02	0.40	6.51	11.60	2.03	42.60	2.15	65.31
1964 <u>c/</u>	0.02	0.41	7.51	11.82	1.79	45.80	2.10	69.45
Sugar beets								
1957-61 <u>b/</u>	0.09	1.38	6.79	5.93	2.47	8.77	2.71	28.14
1963	0.08	1.12	8.01	6.18	3.43	10.60	2.30	31.72
1964 <u>c/</u>	0.09	1.50	7.10	6.10	3.46	12.50	3.64	34.39
a. Wheat, rye, barley, oats and mixtures, and corn.					d. Wheat and rye.			
b. Annual average production.					e. Barley, oats and mixtures, and corn.			
c. Preliminary estimate.								

a. Wheat, rye, barley, oats and mixtures, and corn.
b. Annual average production.
c. Preliminary estimate.

d. Wheat and rye.
e. Barley, oats and mixtures, and corn.

Table 3

Number of Cattle, Cows, and Hogs in the Communist Countries of Eastern Europe
1961-64

Commodity and Years a/		Albania	Bulgaria	Czecho- slovakia	East Germany	Hungary	Poland	Rumania	Thousand Head Total
Cattle	1961	420	1,582	4,489	4,548	2,021	9,168	4,707	26,935
	1962	407	1,582	4,642	4,508	2,003	9,590	4,566	27,298
	1963	402	1,494	4,550	4,614	1,908	9,841	4,637	27,446
	1964	408 b/	1,404 b/	4,538	4,682	1,974	9,940	4,747 b/	27,693 b/
Of which:									
Cows	1961	147	599	2,046	2,170	904	5,915	2,144	13,925
	1962	148	600	2,086	2,092	806	6,022	2,026	13,780
	1963	149	568	2,030	2,102	773	6,070	1,960	13,652
	1964	149 b/	534 b/	1,988	2,132	791	6,013	2,010 b/	13,617 b/
Hogs	1961	128	2,331	5,918	8,864	8,423	13,434	4,665	43,763
	1962	108	2,066	5,973	8,045	7,772	13,617	4,518	42,099
	1963	112	2,097	5,661	9,288	7,041	11,653	4,658	40,510
	1964	112 b/	2,390 b/	6,070	8,759	8,469	12,918	4,884 b/	43,602 b/

a. Census dates are June for Albania, Czechoslovakia, and Poland; September for Hungary; and the end of the year for Bulgaria, Rumania, and East Germany.

b. Estimated.

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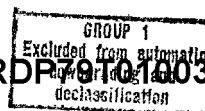
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